

CIRCULAR LETTER

On: Non-Bank Foreign Exchange Business Activities

In relation to the enforcement of Regulation of Bank Indonesia Number 18/20/PBI/2016 on Non-Bank Foreign Exchange Business Activities (State Gazette of the Republic of Indonesia of 2016 Number 194, Supplement to State Gazette of the Republic of Indonesia Number 5932), Bank Indonesia must stipulate implementing provisions for the implementation of non-bank foreign exchange business activities in a Circular Letter of Bank Indonesia as follows:

I. FOREIGN EXCHANGE BUSINESS ACTIVITIES

- A. Money Changer is a non-bank Limited Liability Company conducting the following business activities:
 - 1. exchange under the mechanism of selling and buying foreign banknotes;
 - 2. Traveler's Check purchase; and
 - 3. other business activities pertaining to the implementation of foreign exchange provided that they are specified in the provisions of Bank Indonesia.
- B. Settlement of selling and buying of foreign banknotes against Rupiah must be conducted under the following provisions:
 - 1. foreign banknotes must be transferred physically, from a Money Changer to a Customer and vice versa;

2. Rupiah must be transferred from a Money Changer to a Customer and vice versa physically or through intra-bank or interbank transfers; and
 3. in the Rupiah transfer for selling and buying foreign banknotes conducted through transfer set forth in item 2, the transfer must be designated to or from an account under the name of:
 - a. the Money Changer; and
 - b. the Customer.
- C. If a Customer is represented by another party to sell and buy foreign banknotes to and from a Money Changer, the Money Changer must ensure the Customer has submitted the following documents:
1. copy of the Customer's identity card;
 2. copy of the identity card of another party appointed to represent the Customer; and
 3. power of attorney from the Customer to the other party as shown in Appendix I, which constitutes an inseparable part of this Circular Letter.
- D. Purchase of foreign banknotes from a Money Changer above a certain threshold must have Underlying Transactions.
- E. Purchase of foreign banknotes against Rupiah by a Customer from a Money Changer without documents for Underlying Transactions may only be conducted up to a maximum amount of USD25,000.00 (twenty-five thousand US dollar) or its equivalent per month per Customer.
- F. Calculation of purchase of foreign banknotes against Rupiah set forth in letter E shall be conducted under the following provisions:
1. monthly calculation based on calendar month, namely from the first day until the last day of a calendar month.

Example...

Example:

If in November 2016 a Customer buys foreign banknotes against Rupiah without Underlying Transactions only once on 24 November 2016 amounting to USD25,000.00 (twenty-five thousand US dollar), such amount will be calculated as the maximum amount used in November 2016. The customer may be able to use the maximum amount equivalent to USD25,000.00 (twenty-five thousand US dollar) in December 2016.

2. Calculation of transaction nominal is based on the accumulation of all transactions in 1 (one) calendar month by individual Customer in the form of physical transfer of Rupiah or transfer to a Money Changer's account. Example: Customer A buys foreign banknotes of USD5,000.00 (five thousand US dollar) and makes physical Rupiah transfer on 11 November 2016. On 13 November 2016, Customer A buys foreign banknotes of USD20,000.00 (twenty thousand US dollar) by transferring Rupiah to the Money Changer's account with Bank B. The cumulative transactions of Customer A until 13 November 2016 amounts to USD25,000.00 (twenty-five thousand US dollar).

G. If a Customer buys foreign banknotes above USD25,000.00 (twenty-five thousand US dollar) or its equivalent per month per Customer, a Money Changer must ensure that on the foreign banknote purchase date, the Customer has submitted the following documents:

1. justifiable documents for Underlying Transactions, namely:
 - a. final documents; and/or

b. estimate...

- b. estimate documents; and
- 2. supporting documents for foreign banknote purchase in the following forms:
 - a. copy of the Customer's identity card;
 - b. copy of the Customer's Taxpayer Identification Number;
 - c. duly duty-stamped written statement, signed by the Customer or any party authorized to represent the Customer; and/or
 - d. power of attorney if the Customer is represented by another party.
- H. Details of the Underlying Transaction documents set forth in item G.1 are described in Appendix I.
- I. A Money Changer must evaluate the normalness or commonness of transaction nominal amount against the Underlying Transaction documents submitted by a Customer.
- J. The supporting document for foreign banknote purchase in the form of written statement set forth in item G.2.c shall contain the following information:
 - 1. authenticity and reliability of Underlying Transaction documents;
 - 2. purchase of foreign currencies against Rupiah does not exceed the nominal amount of the Underlying Transaction; and
 - 3. amount, purpose, and date of foreign banknote use;

Example of the written statement for purchase of foreign banknotes against Rupiah above a certain threshold refers to Appendix I.
- K. If a company is a business entity, the written statement set forth in item G.2.c will be signed by:
 - 1. an official authorized under the Articles of Association; or
 - 2. a party appointed and authorized through a power of attorney by the official set forth in item 1.
- L. If a Customer buys foreign banknotes up to USD25,000.00 (twenty-five thousand US dollar) or its equivalent, a Money Changer must ensure the Customer submits a written statement that the foreign banknote purchase does not exceed

USD25,000.00 (twenty-five thousand US dollar) or its equivalent per month. Example of written statement for foreign banknote purchase against Rupiah up to a certain threshold refers to the format in Appendix I.

- M. If a Customer has made a regular transaction and the supporting documents set forth in point G.2 have been administered by a Money Changer, the supporting documents may be reused provided that they are valid and the Customer buys foreign banknotes based final documents for Underlying Documents.

Example:

PT A is recognized Customer and often makes transactions with Money Changer X. On 19 November 2016, PT A buys foreign banknotes from Money Changer X of USD120,000.00 (one hundred twenty thousand US dollar) for payment of goods imports from overseas. For this purchase, Money Changer X must ensure that PT A submits final documents for the Underlying Transaction, namely copy of Goods Import Notice (PIB) and supporting documents in the form of copy of the Customer's identity card, copy of Taxpayer Identification Number, and duly duty-stamped written statement.

On 15 December 2016, PT A buys foreign banknotes from Money Changer X of USD150,000.00 (one hundred fifty thousand US dollar) for payment of goods import from overseas. For this purchase, Money Changer X must ensure PTA submits only Underlying Transaction document because in the previous transaction, Money Changer X has administered the supporting documents of PTA.

- N. Purchase of foreign banknotes against Rupiah may be conducted for:
1. the same type of foreign currency as specified in the Underlying Transaction document; or

2. different type of foreign currency from that specified in the Underlying Transaction document if accompanied by documents explaining the difference.
- O. If a Money Changer buys foreign banknotes from a bank, the Money Changer must meet the provisions of Bank Indonesia on transactions of foreign currencies against Rupiah between banks and domestic parties.

II. CUSTOMER PROTECTION

- A. Money Changers must ensure the application of customer protection principle fulfilling the principles of fairness and reliability, transparency, protection of customer's data and/or information, and effective handling and settlements of customer's complaints.
- B. In selling and buying foreign banknotes, Money Changers may not charge any fees to Customers.
- C. The application of customer protection principle set forth in letter A must at least include:
1. delivery of exchange rate information to Customers in a transparent manner;
 2. protection of Customer's data and/or information; and
 3. effective handling and settlements of Customer's complaints, including, among others, procedures and deadline for Customer's complaint settlement and dispute resolution alternative.
- D. For transparent delivery of information on the types of currencies and selling and buying rates to Customers, the following provisions apply:
1. Money Changer must provide written information on the types of currencies available;
 2. Money Change must provide written information on the exchange rate under the following provisions:
 - a. information is delivered completely, clearly, and in an easily comprehensible manner to Customers in Indonesian and may be accompanied by a foreign language;

b. information...

- b. information is delivered among others in the form of announcement board, website, e-mail, or any other forms; and
 - c. information is delivered in an accurate, latest, and actual manner,

by following the generally accepted information delivery ethics;
- 3. Money Changers must deliver complete and clear information in the event of different exchange rate of:
 - a. foreign banknote and Traveler's Check;
 - b. foreign banknote in a certain bank bill; and/or
 - c. foreign banknote in a certain condition.
- 4. Money Changers must display information of exchange rates in an easily visible, legible, and comprehensible form and/or position;
- 5. Money Changers may not deliver misleading and/or unethical (misconduct) information as follows:
 - a. information is considered misleading if a Money Changer deliver information different from the fact, for example by stating that the exchange rates are lower than actually charged to Customers; and
 - b. information delivery is considered a misconduct if a Money Changer delivers information not in accordance with the generally accepted ethics or conduct, for example by giving negative evaluation of other Money Changers/competitors; and
- 6. Money Changers must deliver complete and clear information if Customers order by phone or online and ensure that the exchange rates during transactions have been agreed in the order.

- E. To protect Customer's data and/or information, the following provisions apply:
 - 1. Money Changers may not in any way provide personal data and/or information on any Customers to any other parties;
 - 2. the restriction set forth in item 1 is exempted if:
 - a. Customers grant their written approval; and/or
 - b. mandatory by the laws and regulations;
 - 3. to request the approval set forth in item 2.a, a Money Changer must provide prior explanation about the purpose and objective of such provision and/or distribution of Customer's personal data to any other parties; and
 - 4. if a Customer grants the written approval set forth in item 2.a, a Money Changer must ensure the party receiving the data and/or information will not give and/or use the data and/or information other than those agreed between the Money Changer and Customer.
- F. To handle and settle Customer's complaints, the following provisions apply:
 - 1. Money Changer must receive, handle, and settle every complaint from any Customer and/or their representative pertaining to the foreign exchange business activities;
 - 2. Money Changer must have mechanism and procedure in writing determined by the Board of Directors, among others in the form of guideline, implementation instruction, or Standard Operating Procedure (SOP), to handle and settle Customer's complaints;
 - 3. Money Changer must administer all documents relating to the receipt, handling and settlement of Customer's complaints;

4. Money Changer must appoint employees to handle and settle Customer's complaints;
 5. Money Changer must install announcement or information in clear and comprehensible sentences in their office and/or on their website on Customer's complaint mechanism, including reachable call center; and
 6. Money Changer may not charge any fees to Customers on their complaints.
- G. To apply customer protection in the implementation of foreign exchange business activities, a Money Changer must:
1. give transaction evidence, receipt, or transaction slip to Customers at least containing the following information:
 - a. Money Changer's name and address;
 - b. transaction date;
 - c. serial number of transaction evidence;
 - d. the nominal amount and type of currency paid by the Customer;
 - e. the nominal amount and type of currency paid to the Customer;
 - f. exchange rate; and
 - g. name and signature of the Money Changer and Customer;
 2. give money to Customers under the following provisions:
 - a. give money in a proper condition and bank bill according to the Customer's needs provided that the Money Changer has such bank bill required by the Customer;
 - b. give authentic, valid money as legal tender in a nominal amount according to the transaction with the Customer; and

3. provide information on the characteristics of authentic money to the Customer among others in an announcement, brochure, and/or leaflet.

III. LICENSE AS A MONEY CHANGER

- A. Non-bank business entity, which intends to conduct business activities as a Money Changer must obtain license from Bank Indonesia.

- B. Requirements for License Application

Requirements for obtaining the license set forth in letter A are as follows:

1. a Limited Liability Company whose entire shares are owned by:
 - a. Indonesian citizen(s); and/or
 - b. business entity whose entire shares are owned by Indonesian citizen(s);
2. specify in their articles of association that the company's purpose and objective are to sell and buy foreign banknotes and to buy Traveler's Checks;
3. meet the minimum amount of paid-up capital as follows:
 - a. Rp250.000.000,00 (two hundred fifty million Rupiah), for prospective Money Changers intending to conduct their business activities in East Jakarta, West Jakarta, Central Jakarta, North Jakarta, South Jakarta, Batam, Denpasar, and Badung District; or
 - b. Rp100.000.000,00 (one hundred million Rupiah), for prospective Money Changers intending to conduct their business activities outside the areas set forth in letter a; and
4. the paid-up capital does not come from and/or is used for money laundering.

C. Mechanism for Application of License as a Money Changer

1. Application of license as a Money Changer is specified under the following provisions:
 - a. written application submitted to Bank Indonesia by referring to the example of application in Appendix II, which constitutes an inseparable part of this Circular Letter; and
 - b. the application for license set forth in letter a must be accompanied by:
 - 1) documents pertaining to the institutional and financial condition as described in Appendix II;
 - 2) supporting documents from each shareholder, member of Board of Directors, and member of Board of Commissioners of a prospective Money Changer as described in Appendix II; and
 - 3) documents pertaining to operational readiness as described in Appendix II.
2. A prospective Money Changer must ensure completeness of all documents submitted to Bank Indonesia set forth in item 1.
3. If documents submitted to by a prospective Money Changer is deemed incomplete, Bank Indonesia will return all of them to the prospective Money Changer.
4. Bank Indonesia will commence license application processing after the documents submitted by a prospective Money Changer are declared complete.

D. Mechanism of License Application Processing as a Money Changer
Bank Indonesia will process license applications through the following phases:

1. Scrutiny of fulfillment of requirements for institutional and financial condition
 - a. Bank Indonesia will scrutinize the suitability and accuracy of incorporation and approval document as a

legal entity, organizational adequacy and readiness, sufficiency of paid-up capital, and financial condition and readiness according to the requirements set forth in letter B and C.1.b.1).

- b. If based on the result of scrutiny set forth in letter a any documents are found false or unmatched, Bank Indonesia will deliver written notice to the prospective Money Changer for rectification.
 - c. A prospective Money Changer must resubmit to Bank Indonesia any rectified documents within no later than 30 (thirty) working days after the notice date from Bank Indonesia.
 - d. If within the period set forth in letter c a prospective Money Changer fails to submit the rectified documents, they will be declared to cancel their application.
2. Scrutiny of fulfillment of requirements as members of Board of Directors, members of Board of Commissioners, and shareholders of a prospective Money Changer
- a. Bank Indonesia will scrutinize the fulfillment of requirements for members of Board of Directors, members of Board of Commissioners, and shareholders.
 - b. If based on the result of scrutiny set forth in letter a the prospective members of Board of Directors, members of Board of Commissioners, and shareholders are deemed to fail to meet the requirements, a prospective Money Changer must complete or add documents, resolve any issues on the requirement fulfillment, and/or replace the prospective members of Board of Directors, members of Board of Commissioners, and shareholders submitted

no later than 45 (forty-five) working days after the notice date.

- c. If a prospective Money Changer fails to conduct any measures within the period set forth in letter b, they will be declared to cancel their application.
3. Examination of business premises of prospective Money Changer
- a. Bank Indonesia will examine the business premises to ensure operational readiness of a prospective Money Changer according to the requirements set forth in letter C.1.b.3), such as readiness of facilities and infrastructures as well as mechanism and procedure for conducting their business activities.
 - b. If based on the result of examination set forth in letter a, a prospective Money Changer is deemed to fail to meet operational readiness, they must complete the requirements no later than 20(twenty) working days after the notice date.
 - c. If a prospective Money Changer fails to complete the requirements set forth in letter b, they will be declared to cancel their application.
4. Dissemination of Provisions
- a. Bank Indonesia will conduct dissemination to inform the provisions pertaining to the implementation of business activities of non-bank foreign exchange and to improve the understanding of prospective Money Changers in applying the provisions and conducting their business activities.
 - b. Bank Indonesia will determine the dissemination date set forth in letter a.
 - c. If members of Board of Directors, members of Board of Commissioners, and shareholders fail to attend the dissemination on the date determined by Bank

Indonesia set forth in letter b, the dissemination may be rescheduled no later than 20 (twenty) working days after such date.

- d. The rescheduling set forth in letter c may only be conducted if Bank Indonesia accepts the written reasons for the absence of the members of Board of Directors, members of Board of Commissioners, and shareholders.
 - e. If the members of Board of Directors, members of Board of Commissioners, and shareholders fail to attend the rescheduled dissemination set forth in letter c or fail to submit the written reasons for their absence set forth in letter d, the prospective Money Changer will be declared to cancel their application.
5. To examine the eligibility of a prospective Money Changer through the phases set forth in item 1 until item 4, Bank Indonesia may:
- a. request information, statement, and additional document; and/or
 - b. conduct confirmation or interview.
6. To conduct the confirmation or interview set forth in item 5.b, the following provisions will apply:
- a. the confirmation or interview aims to obtain further information to ensure the fulfillment of requirements for obtaining the license as a Money Changer from Bank Indonesia;
 - b. the confirmation or interview may be conducted with members of Board of Directors, members of Board of Commissioners, and shareholders;

- c. the confirmation or interview may be conducted in every phase of license application process to obtain information from a prospective Money Changer on:
 - 1) institutional and financial condition;
 - 2) members of Board of Directors, members of Board of Commissioners, and shareholders;
 - 3) operational readiness; and/or
 - 4) other information;
 - d. Bank Indonesia will determine the confirmation or interview date;
 - e. if members of Board of Directors, members of Board of Commissioners, and shareholders fail to attend the interview on the determined date, Bank Indonesia will reschedule the interview no later than 20 (twenty) days after the interview invitation date; and
 - f. if members of Board of Directors, members of Board of Commissioners, and shareholders fail to attend the rescheduled interview set forth in letter e, the prospective Money Changer will be declared to cancel their application.
7. Based on the phases set forth in item 1 until item 4, Bank Indonesia will:
- a. approve the license application; or
 - b. reject the license application.
- E. Follow-Up to License Application as Money Changer
- If Bank Indonesia approves a license application as a Money Changer, the following provisions will apply:
- 1. Bank Indonesia will submit a written notice to the prospective Money Changer;
 - 2. Bank Indonesia will issue Business License Grant Decision (KPmIU), license certificate, and logo of authorized Money Changer;

3. collection of documents set forth in item 2 must be conducted by:
 - a. a member of the Board of Directors; or
 - b. any other party authorized by the Board of Directors under a power of attorney referring to the example in Appendix II.
 4. a prospective Money Changer, which has obtained their license, must conduct their business activities within 30 (thirty) days after the notice date set forth in item 1;
 5. implementation of the business activities must be reported in writing by the Board of Directors to Bank Indonesia no later than 10 (ten) working days upon commencement of the business activities by referring to the example in Appendix II;
 6. a license granted by Bank Indonesia will be declared invalid if a Money Changer fails to conduct their business activities within the period set forth in item 4; and
 7. if the license granted by Bank Indonesia is declared canceled and invalid set forth in item 6, a Money Changer must return to Bank Indonesia the documents set forth in item 2.
- F. License Validity and Mechanism for License Extension Application
1. License as a Money Changer issued by Bank Indonesia is valid for a maximum period of 5 (five) years as of the license date and may be extended at the Money Changer's request to Bank Indonesia.
 2. The license extension application set forth in item 1 must be submitted no later than 3 (three) months prior to the license expiration.
 3. The license extension application set forth in item 2 must be submitted to Bank Indonesia in writing and signed by the

member of Board of Directors by referring to the example of letter described in Appendix II.

4. The license extension application set forth in item 3 must be accompanied by a copy of Business License Grant Decision (KPmIU) and copy of license certificate.
5. If a Money Changer does not intend to extend the license, the provisions for termination of business activities and license revocation set forth in Chapter VIII will be applicable.

G. License Extension Evaluation

1. Bank Indonesia will evaluate licenses issued for Money Changers.
2. The evaluation set forth in item 1 is conducted based on:
 - a. result of Bank Indonesia's supervision during the license validity; and/or
 - b. license extension application by Money Changers.
3. The license extension evaluation set forth in item 2 is conducted by considering:
 - a. optimization and development of business activities, such as:
 - 1) transaction amount and value; and/or
 - 2) operating revenue and profit;
 - b. compliance with the applicable provisions, such as:
 - 1) level of Money Changer's compliance with the laws and regulations among others on anti-money laundering and prevention of terrorism funding, customer protection, sound business competition, fund transfer, and other provisions issued by Bank Indonesia or any other authority; and/or

- 2) level of compliance of Shareholders, members of Board of Directors, and members of Board of Commissioners with the laws and regulations; and/or
- c. application of customer protection principle, such as:
 - 1) fulfillment of customer protection principle set forth in the provisions for customer protection; and/or
 - 2) quantity and quality of handling and settlement of customer's complaints.
- 4. Based on the evaluation set forth in item 1, Bank Indonesia may:
 - a. extend license validity;
 - b. shorten license validity;
 - c. limit business activities; and/or
 - d. revoke license.
- 5. The Money Changer's business license revocation set forth in item 4.d is conducted based on the following:
 - a. a Money Changer is no longer in operation or conducting any business activities, including no report submission to Bank Indonesia on the development of their business activities;
 - b. a Money Changer is found to no longer have active responsible Management representing the Money Changer in conducting their business activities for any reasons, and shows no effort to replace the Management under the applicable provisions; and/or
 - c. a Money Changer changes their business address without the approval of Bank Indonesia, resulting in their unknown existence and difficulty for Bank Indonesia to supervise and guide the Money Changer.
- 6. To follow up the evaluation result set forth in item 3, Bank Indonesia will issue:

- a. decision on the change of Business License Grant Decision (KPmIU) and business license certificate if the evaluation result recommends the license validity extension set forth in item 3 letter a and license validity shortening set forth in item 3 letter b;
 - b. decision on restriction of business activities if the evaluation result recommends restriction of business activities set forth in item 3 letter c; or
 - c. rejection of business license extension accompanied by Business License Revocation Decision (KPnIU) if the evaluation result recommends license revocation set forth in item 3 letter d.
7. If the evaluation result recommends license revocation set forth in item 3 letter d, a Money Changer must return to Bank Indonesia the Business License Grant Decision (KPmIU), business license certificate, and logo of authorized Money Changer.

IV. MANAGEMENT OF MONEY CHANGERS

- A. Change of Money Changer's Members of Board of Directors, Members of Board of Commissioners, and/or Shareholders
 - 1. If a Money Changer intends to change their members of Board of Directors, members of Board of Commissioners, and/or shareholders, prospective members of Board of Directors, members of Board of Commissioners, and/or shareholders must obtain the prior approval of Bank Indonesia.

2. Change of members of Board of Directors, members of Board of Commissioners, and/or shareholders is conducted:
 - a. under the order of Bank Indonesia; or
 - b. at the Money Changer's request.
3. Change of members of Board of Directors, members of Board of Commissioners, and/or shareholders under the order of Bank Indonesia will be conducted among others if:
 - a. any members of Board of Directors, members of Board of Commissioners, and/or shareholders are imposed with restriction to become Money Changer's Board of Directors, Board of Commissioners, and/or shareholders; and/or
 - b. any members of Board of Directors, members of Board of Commissioners, and/or shareholders have been charged guilty of committing a certain crime under a final and binding court decision.
4. For the change of Money Changer's members of Board of Directors, members of Board of Commissioners, and/or shareholders set forth in item 3, the following provisions apply:
 - a. Money Changer must hold a General Meeting to dismiss the member of Board of Directors and Board of Commissioners within no later than 20 (twenty) working days as of the notice date from Bank Indonesia;
 - b. a Shareholder must assign their shares within no later than 90 (ninety) days as of the notice date from Bank Indonesia;
 - c. the parties set forth in letters a and b may not make any decisions and/or other decisions influencing the Money Changer's policy and financial condition from the notice date of Bank Indonesia;

d. for...

- d. for the period set forth in letters a and b, Bank Indonesia may temporarily terminate the Money Changer's business activities;
 - e. if after the period set forth in letters a and b a Money Changer fails to change the members of Board of Directors, members of Board of Commissioners, and/or shareholders, the following provisions will apply:
 - 1) the Money Changer may be imposed with administrative sanctions;
 - 2) Bank Indonesia will not recognize any legal relationships made by the parties; and
 - 3) all actions taken by the parties become their sole responsibility.
5. If the change of members of Board of Directors, members of Board of Commissioners, and/or shareholders is conducted at the Money Changer's request, the following provisions will apply:
- a. the Money Change must submit to Bank Indonesia a written application for the planned change of members of Board of Directors, members of Board of Commissioners, and/or shareholders by referring to the example of application described in Appendix III, which constitutes an inseparable part of this Circular Letter;
 - b. the written application set forth in letter a must be accompanied by supporting documents of members of Board of Directors, members of Board of Commissioners, and/or shareholders described in Appendix II;
 - c. mechanism for granting approval for change of members of Board of Directors, members of Board of Commissioners, and/or shareholders refers to the provisions for scrutiny of fulfillment of requirements as

members of Board of Directors, members of Board of Commissioners, and/or shareholders of prospective Money Changer set forth in point III.D.2;

- d. prospective members of Board of Directors, members of Board of Commissioners, and/or shareholders who meet the requirements described in Appendix II must attend the dissemination of provisions held by Bank Indonesia set forth in point III.D.4;
- e. if the prospective members of Board of Directors, members of Board of Commissioners, and/or shareholders have attended the dissemination of provisions, Bank Indonesia will notify the Money Changer to hold a General Meeting on appointment of members of Board of Directors, members of Board of Commissioners, and/or change of shareholders; and
- f. the Money Changer must submit reports on appointment of their members of Board of Directors, members of Board of Commissioners, and/or change of their shareholders accompanied by copy of minutes of general meeting, copy of deed of amendment to the articles of association, and copy of notice receipt or approval for the amendment to articles of association from the competent authority to Bank Indonesia no later than 10(ten) working days upon receipt of the amended articles of association from the competent authority.

B. Training and/or Certification for Board of Directors

- 1. Members of Board of Directors must attend training and/or certification supporting the implementation of foreign exchange business activities.
- 2. The training and/or certification set forth in item 1 must meet the following provisions:
 - a. training and/or certification materials include Anti-Money Laundering and Prevention of Terrorism Funding, financial (business) management, general

management...

- management, risk management, and/or other materials pertaining to foreign exchange business activities;
 - b. conducted in a seminar, discussion group, workshop, and/or other similar activities; and
 - c. conducted by a learning institute, Professional Certification Agency, association, Bank Indonesia and/or the relevant Ministry/Institution.
3. The training and/or certification set forth in item 2 may be conducted upon obtaining approval of Bank Indonesia as members of Board of Directors.
 4. A Money Changer must administer participation or graduation documents and/or certificates owned by members of Board of Directors.
 5. Bank Indonesia may request the participation or graduation documents and/or certificates owned by members of Board of Directors set forth in item 4.

V. INCLUSION OF LOGO, CERTIFICATE, AND TRADE NAME

- A. In conducting their business activities, a Money Changer must install the following:
 1. logo of authorized Money Changer issued by Bank Indonesia;
 2. business license certificate issued by Bank Indonesia; and
 3. signage bearing:
 - a. *"Penyelenggara Kegiatan Usaha Penukaran Valuta Asing Berizin"* or *"Authorized Money Changer"*;
 - b. name of Limited Liability Company of the Money Changer and the trade name; and
 - c. number and date of Business License Grant Decision (KPmIU).

B. The...

- B. The obligation set forth in letter A is specified as follows:
1. logo, business license certificate, and signage must be installed in each Money Changer's office according to the approval granted by Bank Indonesia;
 2. logo, business license certificate, and signage must be installed with the size and in the position visible and legible by Customers; and
 3. A Money Changer must ensure that the logo, business license certificate, and signage must be installed in a safe place to avoid it from being lost or misused by any other parties.
- C. A Money Changer may use a different trade name from their Limited Liability Company's name under the following provisions:
1. they only have 1 (one) trade name;
 2. the trade name reflects the Limited Liability Company's name; and
 3. the Limited Liability Company's name and trade name must be included in all documents, correspondences, and other written publications.
- D. If the Business License Grant Decision (KPmIU), logo, and/or business license certificate issued by Bank Indonesia is lost, a Money Changer must submit a written request to Bank Indonesia to obtain the replacement along with the loss certificate from the police.
- E. The logo replacement set forth in letter D shall be subject to a cost of Rp500,000.00 (five hundred thousand Rupiah).

VI. BRANCH OFFICES AND COUNTERS

A. Opening of Money Changer's Branch Office

Requirements and procedures for branch office opening are specified as follows:

1. A Money Changer submits an application for branch office opening to Bank Indonesia by referring to the application letter example as described in Appendix III, and encloses the

supporting...

- supporting documents as described in Appendix III;
2. the application for branch office opening approval must be submitted at least within 3 (three) months prior to the planned branch office opening;
 3. branch office opening may be applied for under the following requirements:
 - a. the Money Changer has been conducting their business activities at least for 2 (two) years as of the license issuance date;
 - b. the Money Changer has met the requirements for paid-up capital for headquarters of Rp250,000,000.00 (two hundred fifty million rupiah) for branch office opening in East Jakarta, West Jakarta, Central Jakarta, North Jakarta, South Jakarta, Batam, Denpasar, and Badung District; and
 - c. the Money Changer has met the operational readiness for branch office opening described in Appendix II item 2 until item 4;
 4. in processing any branch office opening approval, Bank Indonesia considers, among others, the following:
 - a. Money Changer's performance and compliance as follows:
 - 1) has never delayed in submitting their business activity report for the last 6 (six) months as of the application date; or
 - 2) has followed up all commitments from the last audit result by Bank Indonesia;
 - b. location viability, among others by considering the saturation level of non-bank foreign exchange business activities;
 5. Bank Indonesia will approve or reject any branch office opening based on the requirements set forth in item 3 and the considerations set forth in item 4;
 6. if Bank Indonesia grants approval for a branch office opening, Bank Indonesia will issue an approval letter,
 - a. business...

business license certification for the branch office, and logo of Authorized Money Changer;

7. collection of the approval letter, business license certification for the branch office, and logo of Authorized Money Changer shall be conducted by:
 - a. any members of the Board of Directors; or
 - b. any other parties authorized by the members of the Board of Directors under a power of attorney by referring gto the format example described in Appendix II;
8. Any Money Changer, which has obtained their branch office opening approval, must conduct their operational branch office activities within 30 (thirty) days as of the approval date;
9. operational branch office activities must be reported in writing within no later than 10 (ten) working days as of the operational activity implementation by referring to the format example described in Appendix III;
10. any branch office opening approval granted by Bank Indonesia shall be declared null and void if a Money Changer fails to conduct their business activities in the branch office within the period set forth in item 9; and
11. if the approval is declared null and void as set forth in item 10, a Money Changer must return the branch office business license certificate and logo of Authorized Money Changer.

B. Money Changer's Counter Opening

1. A Money Changer may open their foreign exchange service counter under the following provisions:

- a. counter opening may only be conducted to support certain activities, such as international fairs or activities;
 - b. counter opening location may be within the area of the Money Changer's headquarters or branch office; and
 - c. the counter opening may open for 1 (one) month at the maximum, which may be extended 1 (one) time for 1 (one) month at the maximum.
- 2. Counter opening procedure
 - a. Counter opening plan must be reported by the Money Changer's headquarters to Bank Indonesia office where the headquarters is located by referring to the example of counter opening plan letter described in Appendix III.
 - b. The counter opening plan report set forth in letter a must be submitted to Bank Indonesia within no later than 5 (five) working days prior to the counter opening.
 - c. The counter opening plan report set forth in letter b must be equipped with supporting documents, such as certificate from the organizing committee or counter lease agreement.
 - d. Bank Indonesia will submit a written confirmation to the Money Changer's report.
- C. Change of Money Changer's Address

Requirements and procedures for changing the headquarters and branch office address are specified as follows:

 - 1. application for office address change approval must be submitted by the Money Changer's headquarters to Bank Indonesia office where the headquarters is located by referring to the example of application for office address change plan approval described in Appendix III by explaining

the reasons for such office address change and attaching the supporting documents described in Appendix III;

2. application for office address change plan approval must be submitted within no later than 3 (three) months prior to the planned office address change;
3. if the office address changes to East Jakarta, West Jakarta, Central Jakarta, North Jakarta, South Jakarta, Batam, Denpasar, and Badung District, the Money Changer must meet the requirements for paid-up capital for headquarters of Rp250,000,000.00 (two hundred fifty million Rupiah);
4. Bank Indonesia will approve or reject the office address change plan based on the requirements set forth in items 2 and 3;
5. if Bank Indonesia approves the office address change, the following provisions will apply:
 - a. Bank Indonesia will issue a license certificate for the new office address; and
 - b. a Money Changer must collect the certificate set forth in letter a and return the previous license certificate;
6. if the headquarters move to a different operational area of Bank Indonesia office, a Money Changer must adjust the reporting and approval address to the corresponding Bank Indonesia office as specified in V, which constitutes an inseparable part of this Circular Letter.

D. Branch office closing

1. Branch office closing at the request of Bank Indonesia is made for the following reasons:
 - a. a final and binding court decision has been issued;
 - b. the competent authority has made a written request or recommendation to Bank Indonesia;
 - c. administrative sanctions are imposed by Bank Indonesia; or
 - d. the business activities are limited based on the evaluation result of the business license by Bank Indonesia.
2. Branch office closing at the request of a Money Changer is made under the following provisions:
 - a. the Money Changer's headquarters submit a written request to Bank Indonesia together with the reasons for the branch office closing no later than 30 (thirty) days prior to such closing;
 - b. the application refers to the example described in Appendix III and is equipped with the following documents:
 - 1) decision of the Board of Directors on the branch office closing; and
 - 2) duly duty-stamped statement letter from the Board of Directors stating that liabilities pertaining to the closing have been settled by referring to the example described in Appendix III;
 - c. Bank Indonesia will approve the branch office closing in writing upon receipt of the complete documents set forth in letter b; and
 - d. A Money Changer must return the logo of Authorized Money Changer and branch office business license issued by Bank Indonesia.

VII. CHANGE OF COMPANY'S NAME AND CAPITAL

A. Change of Company's Name

Change of Company's are specified as follows:

1. Money Changer's headquarters must submit a written report on their Company's name to Bank Indonesia by referring to the example of the letter described in Appendix III together with the supporting documents described in Appendix III;
2. if all the requirements and documents set forth in item 1 have been fulfilled and completed, Bank Indonesia will issue Business License Grant Decision (KPmIU) on Change of Company's Name, business license certificate, and branch office business license certificate for Money Changers having their branch office, under their new name;
3. the documents set forth in item 2 must be collected by:
 - a. the Board of Directors; or
 - b. any other party authorized by the Board of Directors under a power of attorney by referring to the format example described in Appendix II.

B. Change of Registered Capital and/or Paid-Up Capital

1. In order to evaluate the Money Changer's performance and capability to develop their business activities, any change of registered capital and/or paid-up capital must be reported to Bank Indonesia.
2. Requirements and procedure for reporting the change of registered capital and/or paid-up capital are specified as follows:
 - a. the Money Changer must submit a written report on the change of registered capital and/or paid-up capital to Bank Indonesia by referring to the example of letter described in Appendix III together with the supporting

documents...

documents described in Appendix III;

- b. Bank Indonesia may request for additional documents or revision to the documents to the Money Changer pertaining to the change of registered capital and/or paid-up capital;
- c. if the change of paid-up capital results in addition of new shareholder(s), the Money Changer must follow the procedure and requirements for change of shareholders set forth in item IV.A.

VIII. TERMINATION OF BUSINESS ACTIVITIES OF THE HEADQUARTERS AT THE MONEY CHANGER'S REQUEST

Termination of business activities for business license revocation at the Money Changer's request is conducted under the following provisions:

- A. the Money Changer's headquarters must submit an application for business activity termination in writing to Bank Indonesia together with the reasons therefor under the following provisions:
 - 1. the business activity termination has been decided in the Money Changer's general meeting;
 - 2. the Money Changer has settled their liabilities and will be responsible for any claims potentially arising in the future; and
 - 3. the Money Changer must return the Business License Grant Decision (KpmIU), logo of Authorized Money Changer issued by Bank Indonesia, and business license certificate issued by Bank Indonesia;
- B. the application set forth in letter A refers to the example of letter described in Appendix III together with the documents described in Appendix III;

C. the...

- C. the application set forth in letter A must be submitted within no later than 30 (thirty) days prior to the effective date of the planned business activity termination of the Money Changer's headquarters;
- D. Bank Indonesia will approve the business activity termination in writing and issue Business License Revocation Decision (KPnIU) upon receipt of the complete application documents set forth in letter A;
- E. business license revocation will start to take effect as of the decision date set forth in letter D; and
- F. Bank Indonesia will update the list of Money Changers based on the business license revocation.

IX. REPORTING

A. Reporting

The Money Changer's headquarters must submit reports to Bank Indonesia.

B. The reports set forth in letter A include:

1. Periodic Reports

Periodic reports consist of:

a. Business Activity Report (BAR)

Business Activity Report (BAR) is a report on selling and buying transactions of foreign banknotes and buying transactions of Traveler's Checks referring to the example described in Appendix III; and

b. Financial Statements

Financial statements consist of Balance Sheet (Financial Position Statement), Income Statement, and Statement of Change in Equity at the end of the current year, referring to the example described in Appendix III.

2. Incidental Reports

Incidental reports among others consist of:

- a. report on appointment of Board of Directors, Board of Commissioners, and/or change of shareholders;

b. report...

- b. report on participation of the Board of Directors in a training/certification program;
 - c. report on branch office opening;
 - d. report on counter opening plan;
 - e. report on office address change;
 - f. report on change of Company's name;
 - g. report on change of registered capital and/or paid-up capital;
 - h. report on troubles in foreign exchange business activities, including the mitigation efforts;
 - i. report on force majeure, namely any events beyond the Money Changer's control resulting in the inability to conduct business activities; the events include, but are not limited to, fire, riot, sabotage, and natural disasters, such as earthquake and flood, declared by the authority or local competent official, including Bank Indonesia;
 - j. report on cooperation with hotels or companies similar to hotels; and
 - k. any other reports which may be requested from time to time by Bank Indonesia, such as foreign exchange rate report on a certain date, certain financial transaction report, and cooperation plan report.
- C. The form and period of periodic report submission set forth in item B.1 are specified under the following provisions:
- 1. the Business Activity Report (BAR) set forth in item B.1.a and Financial Statements set forth in item B.1.b must be submitted online to Bank Indonesia via the reporting application system of Bank Indonesia;
 - 2. the online report submission set forth in item 1 refers to the guideline for periodic report preparation described in Appendix III;

The...

3. The Business Activity Report (BAR) set forth in item B.1.a and Financial Statements set forth in item B.1.b are made in consolidation covering the headquarters, branch office, and counter;
 4. The Business Activity Report (BAR) set forth in item B.1.a must be monthly submitted no later than the 15th (fifteenth) day of the following month;
 5. The Financial Statements set forth in item B.1.b must be annually submitted no later than April of the following.
- D. In the event of any troubles to the reporting application system or for any reasons resulting in impossible online submission, the Money Changer remains obliged to submit complete reports to Bank Indonesia in a timely manner under the following provisions:
1. Trouble to the reporting application system on the side of Bank Indonesia
 - a. A Money Changer must submit their complete reports in hard copies according to the determined submission period to Bank Indonesia office having jurisdiction over the Money Changer.
 - b. If the reporting application system on the side of Bank Indonesia has returned to its normal operation, the Money Changer must make an online submission of the reports set forth in letter a through the system.
 2. Trouble to the reporting application system on the Money Changer's side
 - a. A Money Changer may make an online submission of their reports through the reporting application system within Bank Indonesia office having jurisdiction over the Money Changer.

- b. The online reporting service time set forth in letter a is determined by Bank Indonesia office having jurisdiction over the Money Changer.
- E. Any parties other than Money Changers, which sell and buy foreign banknotes within border areas, must submit the Business Activity Report (BAR) set forth in item B.1.a under the following provisions:
 - 1. the report is submitted quarterly no later than the 15th (fifteenth) day of the following month;
 - 2. the complete report must be submitted in hard copies to Bank Indonesia office having jurisdiction over the parties other than Money Changers if online reporting system is not available.

X. SUPERVISION

- A. Bank Indonesia conducts direct and indirect supervision on Money Changers.
- B. Direct Supervision
 - 1. Direct supervision is conducted by examining the Money Changer's business activities in order to understand and evaluate their compliance with the regulations.
 - 2. For the direct supervision, every Money Changer must provide the following to the supervisor or any other parties assigned by Bank Indonesia:
 - a. any requested documents, data, information, and/or reports;
 - b. any information and/or clarification in an oral or writing manner; and/or
 - c. access to the information system, such as access to the reporting application, database, and system;
 required during the direct supervision.

3. Money Changers must be responsible for the reliability of the provided documents, data, information, reports, statements, and/or clarifications.
4. Bank Indonesia may assign any other parties to conduct direct supervision.
5. The parties assigned to conduct direct supervision set forth in item 4 must maintain the confidentiality of the documents, data, information, reports, statements, and/or clarifications obtained in the direct supervision.
6. The Money Changer must revise and/or rectify the reports based on the findings and report such revision and/or rectification measures to BankIndonesia.

C. Indirect Supervision

1. Indirect supervision is a monitoring action conducted in the form of analysis of reports submitted by Money Changers or information from any other parties.
2. For implementation of indirect supervision, Money Changers must submit documents, data, information, reports, statements, and/or clarifications to BankIndonesia.
3. The documents, data, information, reports, statements, and/or clarifications set forth in item 2 must be submitted through reporting, face-to-face meeting, and/or any other means of communication determined by Bank Indonesia.
4. Based on the indirect supervision, Bank Indonesia may request Money Changes to report certain matters, take rectification measures, and report any rectification to Bank Indonesia.

D. Supervision Follow-Up

Based on the supervision result, Bank Indonesia may:

1. guide Money Changers;
2. impose...

2. impose administrative sanctions;
3. evaluate granted business licenses;
4. request Money Changers to do or omit to do some action;
5. temporarily terminate some parts of or the entire business activities, cancel or revoke any licenses or approvals granted to Money Changers; and/or
6. request temporary termination of the Board of Directors and/or Board of Commissioners.

XI. COOPERATION BETWEEN ANY PARTIES OTHER THAN MONEY CHANGERS

- A. Money Changers may cooperate with any parties other than Money Changers to conduct purchase of banknotes with the approval of Bank Indonesia.
- B. The parties set forth in letter A may be hotels or companies engaged in accommodation services as set forth in the provisions for tourism.
- C. Requirements and procedure for cooperation approval grant set forth in letter A are specified under the following provisions:
 1. A Money Changer must submit a cooperation plan application in writing to Bank Indonesia by referring to the format example together with the supporting documents and/or clarifications described in Appendix IV, which constitute an inseparable part of this Circular Letter.
 2. The cooperation set forth in letter A is submitted with the following requirements:
 - a. the Money Changer has been carrying on their business activities within at least 1 (one) year as of the license date;

b. the...

- b. the Money Changer must ensure that the party to cooperate has:
 - 1) business license;
 - 2) permanent business location;
 - 3) ability to manage the service of foreign banknote purchase; and
 - 4) commitment to comply with the applicable provisions;
 - 3. Bank Indonesia will approve or reject the cooperation application based on the requirements set forth in 2;
 - 4. the Money Changer, which has obtained the approval, must implement the cooperation within no later than 30 (thirty) days as of the cooperation approval grant;
 - 5. cooperation implementation must be reported in writing within no later than 10 (ten) working days as of the cooperation commencement;
 - 6. cooperation approval granted by Bank Indonesia will declared null and void if the Money Changer fails to implement the cooperation activities after the time limit set forth in item 4.
- D. The procedure for cooperation implementation set forth in letter A is specified under the following provisions:
- 1. The Money Changer must ensure the fulfillment of provisions for:
 - a. non-bank foreign exchange business activities;
 - b. application of the principle of anti-money laundering and prevention of terrorism funding;
 - c. mandatory use of Rupiah; and
 - d. customer protection.
 - 2. The Money Changer must provide operational instructions for foreign banknote purchase and ensure the compliance of any parties other than Money Changers with the instructions.

3. The Money Changer must be responsible for the reliability and completeness of reports submitted to Bank Indonesia.
- E. The Money Changer must report termination of the cooperation set forth in letter A within no later than 10 (ten) working days as of the effective date of such termination by referring to the example described in Appendix IV.
- F. In addition to the cooperation termination set forth in letter E, Bank Indonesia may request the Money Changer to terminate cooperation with any parties other than Money Changers based on certain considerations.
- G. For supervision of the cooperation implementation set forth in letter A, Bank Indonesia may:
 1. request data and/or information to any parties other than Money Changers; and/or
 2. conduct direct supervision to any parties other than Money Changers.

XII. SELLING AND BUYING FOREIGN BANKNOTES IN INDONESIAN BORDER AREAS

- A. Any parties other than Money Changers, which sell and buy foreign banknotes in Indonesian border areas must obtain prior approval of Bank Indonesia.
- B. The parties other than Money Changers set forth in letter A must be companies carrying out their business activities in Indonesian border areas.
- C. The Indonesian border area set forth in letter A means border areas set forth in the provisions for country's areas.
- D. Requirements and procedure for approval grant set forth in letter A are specified under the following provisions:
 1. any...

1. any parties other than Money Changers must submit a written application to Bank Indonesia by referring to the format example described in Appendix IV together with the supporting documents and/or clarifications described in Appendix IV;
 2. the parties other than Money Changers set forth in item 1 must meet the following requirements:
 - a. carry on business activities in the border areas;
 - b. have the ability to sell and buy foreign banknotes; and
 - c. have the commitment to comply with the applicable provisions;
 3. to process the approval application, Bank Indonesia considers the travel distance and/or time to the nearest city and the existence of Money Changers and/or banks providing foreign exchange service around the applicant's business area;
 4. Bank Indonesia will approve or reject the application based on the requirements and considerations set forth in items 2 and 3;
 5. implementation of selling and buying foreign banknotes in Indonesian borders set forth in item 1 approved by Bank Indonesia must be reported in writing within no later than 10 (ten) working days as of the commencement of the activities.
- E. In selling and buying foreign banknotes, any parties other than Money Changers must consider the provisions for:
1. non-bank foreign exchange business;
 2. application of the principle of anti-money laundering and prevention of terrorism funding;
 3. mandatory use of Rupiah; and
 4. customer protection.

- F. Bank Indonesia may review the approval granted to any parties other than Money Changers for selling and buying foreign banknotes in Indonesian border areas.
- G. Implementation of the review set forth in letter F is among others based on the result of supervision by Bank Indonesia or reports received by Bank Indonesia from the competent authority.
- H. Based on the review result set forth in letter F, Bank Indonesia may request any parties other than Money Changers to do or omit to do certain actions and/or cancel the granted approval.

XIII. SANCTIONS

- A. Any Money Changers in breach of Regulation of Bank Indonesia Number 18/20/PBI/2016 on Non-Bank Foreign Exchange Business Activities and provisions in this Circular Letter will be imposed with the following administrative sanctions:
 - 1. written warning;
 - 2. mandatory payment;
 - 3. business activity termination; and/or
 - 4. license revocation.
- B. In applying the administrative sanctions set forth in letter A, Bank Indonesia will consider:
 - 1. severity of the breach;
 - 2. impacts on:
 - a. customer protection; and/or
 - b. anti-money laundering and prevention of terrorism funding; and/or
 - 3. any other aspects.
- C. Imposition of administrative sanction in the form of written warning set forth in item A.1 may be accompanied by any obligation to do or not do any actions in order to ensure

fulfillment of provisions within the time limit determined by Bank Indonesia.

- D. If Bank Indonesia imposes the administrative sanction in the form of mandatory payment set forth in Article 39 of Regulation of Bank Indonesia Number 18/20/PBI/2016 on Non-Bank Foreign Exchange Business Activities, the calculation will follow the example below: On 5 September 2016, a Customer buys foreign banknotes against Rupiah of USD15,000.00 (fifteen thousand US dollar). On 15 September 2016, the same Customer buys foreign banknotes against Rupiah of USD15,000.00 (fifteen thousand US dollar). The Customer's total foreign banknote purchase in September 2016 is USD30,000.00 (thirty thousand US dollar). Purchase of foreign banknotes against Rupiah on 15 September 2016 is not supported by Underlying Transactions, resulting in the breach of the threshold of USD5,000.00 (five thousand US dollar). JISDOR on 15 September 2016 is Rp10,000.00 (ten thousand rupiah) per US dollar. Calculation of the Money Changer's breach is:

$$\text{USD5,000.00} \times 1\% \times \text{Rp10,000.00} = \text{Rp500,000.00}$$

However, because the minimum mandatory payment is Rp10,000,000.00 (ten million rupiah), the Money Changer will be imposed with a sanction to pay amounting to Rp10,000,000.00 (ten million rupiah) although the breach value based on the calculation above is Rp500,000.00 (five hundred thousand rupiah).

- E. If Bank Indonesia imposes the administrative sanction in the form of business activity termination set forth in item A.3, the following provisions will apply:
1. business activity termination will be imposed on:
 - a. selling and buying of foreign banknotes;
 - b. purchase of Traveler's Checks; and/or

- c. any other business activities relating to the implementation of foreign exchange business activities;
 - 2. business activity termination will have a period, which may be extended;
 - 3. a Money Changer imposed with a sanction of business activity termination must announce such termination to the public on the same date as the notice from Bank Indonesia thereof, the announcement of which must at least be made in the Money Changer's office in a visible and legible position and/or form.
- F. If Bank Indonesia issues an administrative sanction in the form of license revocation, the following provisions will apply:
- 1. a Money Changer must return the Business License Grant Decision (KPmIU), logo of Authorized Money Changer issued by Bank Indonesia, and business license certificate issued by Bank Indonesia;
 - 2. Bank Indonesia will update the list of Money Changers based on the business license revocation.
- G. Any Money Changers in breach of the provisions set forth in Article 7 of Regulation of Bank Indonesia Number 18/20/PBI/2016 on Non-Bank Foreign Exchange Business Activities will be sanctioned with license revocation. The example of unauthorized Money Changer is any party, which may be reasonably alleged with selling and buying foreign currencies without any license from Bank Indonesia, with some indications such as frequent selling and buying of foreign currencies in order to sell or buy them to or from other parties, which have business unexempted from the mandatory use of Rupiah, including Money Changers whose licenses have been revoked by Bank Indonesia.
- H. Any members of Board of Directors, members of Board of Commissioners, and/or Shareholders of Money Changers in breach of the provisions set forth in letter G are restricted from becoming the Board of Directors, Board of Commissioners,

and/or...

and/or shareholders of Money Changers for 5 (five) years.

- I. If Bank Indonesia imposes the administrative sanction set forth in letter A, Bank Indonesia may deliver the information to the competent institution/authority.

XIV. OTHER PROVISIONS

- A. Any applications and correspondences to Bank Indonesia signed by the Board of Directors and/or owners must be submitted in Indonesian under the following provisions:
 1. for applicants headquartered within the operational area of Bank Indonesia's headquarters, the applications and correspondences must be submitted to Department of Policy and Supervision of Payment Systems, Komplek Perkantoran Bank Indonesia, Jl. M.H. Thamrin No. 2, Jakarta 10350; or
 2. for applicants headquartered outside the operational area of Bank Indonesia's headquarters, the applications and correspondences must be submitted to the corresponding Domestic Representative Office of Bank Indonesia.
- B. The division of operational areas set forth in items A.1 and A.2 refers to Appendix V. In the event of change of correspondence address, Bank Indonesia will notify such change by letter and/or any other media.

XV. TRANSITIONAL PROVISIONS

Money Changer's licenses granted by Bank Indonesia prior to the issuance of Regulation of Bank Indonesia Number 18/20/PBI/2016 on Non-Bank Foreign Exchange Business Activities will remain valid for 5 (five) years at the maximum since 7 October 2016 until 6 October 2021 at the maximum.

XVI. CLOSING...

XVI. CLOSING PROVISIONS

- A. Provisions for the license application submission set forth in item III.C, license application processing set forth in item III.D, and license application follow-up set forth in item III.E in this Circular Letter will start to take effect from 6 April 2017.
- B. On the effectiveness of this Circular Letter, Circular Letter of Bank Indonesia Number 14/15/DPM dated 10 May 2012 on Licenses, Supervision, Reporting, and Sanction Imposition for Money Changers is repealed and declared to be null and void.
- C. Bank Indonesia will announce the list of authorized Money Changers, list of Money Changers whose licenses are revoked, and/or any other announcements on the website of Bank Indonesia and/or any other media.
- D. This Circular Letter will start to take effect from 30 December 2016.

For public recognition, it is hereby ordered that this Circular Letter be promulgated in the Official Gazette of the Republic of Indonesia.

Your kind attention shall be highly appreciated.

BANK INDONESIA,

ENI V. PANGGABEAN

HEAD OF DEPARTMENT OF POLICY
AND SUPERVISION OF PAYMENT
SYSTEMS